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Remarks of Gregory Bialecki
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Thank you for the opportunity to be here with you today. I would like to begin by noting that it is not my intention to make any recommendations about how Rhode Island should organize its economic development policies or structures, but simply to describe what we believe to be some of the more successful aspects of our Massachusetts economic development strategy. I leave it to your good judgment as to whether these may be useful models for Rhode Island.

I would also like to say at the outset that although it may seem to some members of the public that Massachusetts and Rhode Island are competitors, the fact is that both Massachusetts and Rhode Island, along with the other New England states, are all competing in national and global markets, against competitors from around the country and around the world. Once our situation locally is viewed from this broader perspective, it becomes clear that Massachusetts and Rhode Island and the other New England states should instead be thought of as partners: an economically successful and prosperous Rhode Island is good for Massachusetts, and vice versa. For that reason, I am pleased to be here with my Connecticut counterpart, Commissioner Catherine Smith, with whom I have been working in collaboration to promote business and job growth in an economic region that stretches across northern Connecticut and western Massachusetts that we call the "Knowledge Corridor."

Our approach in Massachusetts is based on a few core principles. We believe that the most effective economic development strategies at a state or regional level are those intended to have long-term results (that is, over a five to ten year time horizon). Although we all wish that it were true, there are in fact no economic development strategies at a state or regional level that are likely to produce changes that "move the needle" of a state's economy within the short term. For us in Massachusetts, this has meant basing our growth strategy on long-term investments on education, innovation and infrastructure.

We also believe that the most effective government strategies are specifically directed at improving the competitive position of a state or region within the national and global economy. Although there is value in both building on a state's strengths and candidly addressing its weaknesses, we believe that the primary emphasis ought to be on identifying and building upon our state's existing strengths. For that reason, we have chosen to focus on accelerating the growth of our already well-known innovation economy, with targeted initiatives in the industry clusters of life sciences, clean energy and digital technologies. Rhode Island has demonstrated strength in the areas of marine science and industry, higher education and tourism, among others.

We also believe that a sound strategy ought to create greater economic opportunity for every resident of our state. Although Massachusetts has recovered relatively well from the effects of the Great Recession, that recovery has not been as strongly felt in the regions of our state outside of Greater Boston and among those workers and job seekers who do not have a four-year college degree. Our policies must address these challenges.

We are implementing these core principles in two consistent ways: by improving the collaboration among government, business and the academic sector in Massachusetts and by improving the coordination among the multiple economic development agencies within state government.

We believe that progress in economic development and job creation is most likely when government, business and academia work together towards common goals. Because government does not have the levers to mandate that all these participants move in the same direction, we have taken the alternative route of seeking out broad public and private participation in the development and implementation of a consensus economic development strategy for the state. In that process, we have learned that although we do not agree about everything, we do agree about much of what is needed to be done to improve our state's economy.

In 2011, at the direction of our state Legislature, I chaired an economic development planning council consisting of 34 public and private members and charged with developing an economic development strategy for the state. Building on Governor Patrick's core strategy of long-term investments in education, innovation and infrastructure, the council developed a comprehensive strategy that involved five broad categories for action (including, for example, improving our education and workforce training programs for middle-skill jobs), along with 55 specific action steps. Although the council contained public and private representatives from every region of the state and almost every industry sector, the final plan was adopted by a unanimous vote. That final plan was entitled "Choosing to Compete in the 21st Century" and is available on-line, for those interested, at www.mass.gov/compete.

Since Governor Patrick's formal approval of the plan early last year, we have been using the plan as the central organizing framework for our economic development activities. We ask both public and private stakeholders to align their various economic development efforts and initiatives towards achieving the action steps specified in the plan and, to publicly demonstrate our commitment to the plan and our progress under it, we will be holding an economic summit in March to review what we have accomplished and to discuss the appropriate next steps. We have also made significant changes to improve the internal coordination of the several state agencies in Massachusetts involved with various aspects of economic development and job creation. The same economic development legislation from 2011 that I mentioned earlier also

created an Office of Performance Management and Oversight within my secretariat that is charged with reviewing and approving annual business plans from eighteen separate state agencies and ensuring the consistency of those plans with the State's overall economic development strategy. I should mention that we chose the path of coordination instead of outright consolidation because there are important reasons, including budgetary issues, personnel issues, debt financing issues and federal funding issues, that support the continued separate legal existence of these agencies.

The creation of this oversight office, together with a legislative change that named me, as cabinet secretary, as the chair of the board of directors of several of the agencies not already under my supervision, constituted a fairly dramatic break from prior Massachusetts practice, which was to keep many of the economic development agencies separated, one might even say insulated, from the Governor and the Executive Branch. Our early experience with these changes has been there is much improved alignment of policy setting and implementation, for which our Governor is seen as being publicly accountable, while still leaving the detailed decision-making, such as determining individual company eligibility and suitability for grant and loan programs, in the hands of professional staff with experienced business judgment.

We believe that it is not an accident that Massachusetts has recovered from this Great Recession stronger and faster than the rest of the country and that the increased coordination and collaboration towards common goals that we are now seeing in Massachusetts has been an integral part of that success.